

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: SUMMARY OF CITY COUNCIL DIRECTION ON
"JARVIS BUDGET"

DATE: May 16, 1978

Attached for your review are summaries of Expenditure Reductions and Revenue Increases directed by the City Council which would enable the City to function under the revenue restrictions imposed by Proposition 13. The total annual budget adjustment amounts to:

Increased Revenue	\$230,000
Decreased Operating Expenditures	432,000
Decreased Capital Improvement Expenditures	<u>380,000</u>
Total	\$1,042,000

In summary, the budget reductions by department are as follows:

<u>Department</u>	<u>Amount</u>	<u>Percent</u>
Non-Departmental	\$ 19,500	7.6%
Administrative Services	14,500	2.2%
Community Development	74,500	8.1%
Leisure Services	135,000	9.4%
Civic Arts	51,500*	3.2%
Public Service	96,000	1.6%
Police	<u>41,000</u>	
	\$432,000	4.4%

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A word of caution: Our projection of loss in property tax revenue to date has been based upon an assumption that distribution between public agencies of property taxes, after "Jarvis" would continue as in the past. At present there is no law that governs such distribution. It will have to be enacted by the State legislature within three weeks of the election date in order to be effective July 1.

As you are aware, there are enormous differences between the public agencies as to the extent the present property tax funds services they provide. For example, cities depend state-wide to the extent of approximately 27% on the property tax. In Walnut Creek it is 24%. Counties state-wide depend to the extent of about 40% of property tax for their support. The School Districts depend to the extent of about 47% and some special districts, i.e., Contra Costa County Fire District, depends almost entirely on the property tax.

*does not include \$22,500 for Civic Arts Program Improvements.

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Given the wide range of differing levels of dependents on the property tax, it is possible that the legislature will change the existing distribution to a formula that would favor those agencies having a higher level of dependence on the property tax. Were such to occur, reduction in our property tax income would further increase requiring additional City spending cuts. There is no way of knowing at this time what the legislature will do on this matter. Obviously, it will be a political hot potato. The longer they delay in reaching a decision, the heavier the pressure will be from all sides. Whether or not they are capable of making a decision within the three-week period will remain to be seen. I'm not optimistic.

Therefore, anticipating a period of uncertainty and at least the possibility that we will have to make further reductions to offset additional property tax revenue loss, we should not represent to the public or concerned City employees that the plan we set at this time is final until all facts are known and measured. This is one of the reasons I have stated a desire to have, in addition to those already identified, a minimum of \$50,000 to \$100,000 additional cuts identified.

This subject will be presented for further Council discussion at their meeting on May 30, 1978.

TGD:dl

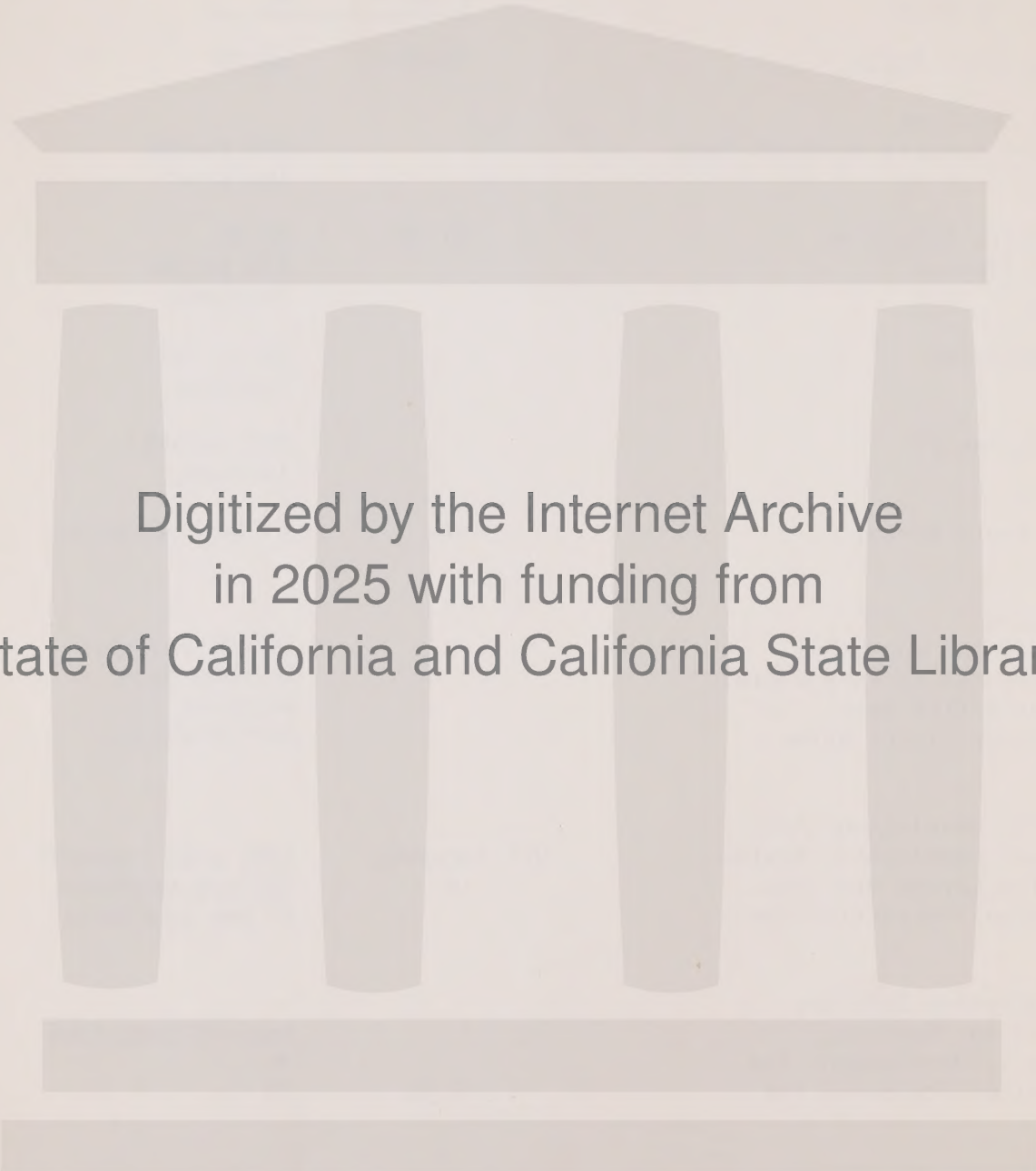
Att.

cc: Department Directors

SUMMARY OF REVENUE INCREASES
CITY OF WALNUT CREEK
JARVIS BUDGET
1978-79

<u>Revenue Increases</u>	<u>From</u>	<u>To</u>	<u>Revenue Increase 1 year</u>
Parking Meter Rates	10¢/hr	20¢/hr	64,000
Leisure Services			
General Recreation Class Fees		33% to 45% Increase	4,000
Quake Disco Admission	\$1.00	\$2.00	5,000
Aquatic Classes		23% to 30% Increase	2,000
Pool Admission		6% to 14% Increase	2,000
Building Rental		22% to 44% Increase	2,000
Tennis Court Rental	-0-	\$1.50 - \$3.00/hr	9,000
Civic Arts			
Classes and Workshops		20-33% increase	(5,500)
Theatre and Gallery Rental		in fees less	4,950
Ticket Office Fees		decrease in	360
Repertory Ticket Sales		participation.	(1,600)
Community Development Fees			
Current Development Review	90% recovery	100% cost recovery	57,000
Parking Garage User Fee	-0-	50¢ per entrance	28,000
Apartment Inspection Fee		\$3 per apartment	6,000
Administrative Services			
Investment Earnings		loss of cash flow	(15,000)
Property Development Tax		*	61,000
Transient Occupancy Tax	6.5%	7%	<u>7,000</u>
Total Revenue Increases			<u><u>230,000</u></u>

*increase from \$75 for one bedroom plus \$15 for each additional to \$112.50 and \$22.50 for each additional + 6¢ per square foot for non retail commercial development.



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SUMMARY OF EXPENDITURE DECREASES
CITY OF WALNUT CREEK
JARVIS BUDGET
1978-79

<u>Expenditure Reductions</u>	<u>Level of Service</u> <u>From To</u>		<u>Single Year</u> <u>Amount Saved</u>
Non Departmental			
Chamber of Commerce	14,000	5,000	9,000
Diablo Symphony	2,500	-0-	2,500
Out of State Travel			8,000
Administrative Services			
General Accounting (½ position)	Present	Present	8,500
General Personnel (Training)	Present	Present	6,000
Community Development			
Advance Development Planning	Present	Basic +1	29,000
Transportation	Present	Basic	36,000
Property Acquisition and Survey	Present	Basic	9,500
Leisure Services			
Special Clubs and Classes	Present	Basic	5,500
Playgrounds/Special Events	Present	Basic	20,000
Work Training	Present	Eliminate	37,500
Teens	Present	Basic	3,750
Museums (Second Year 75,000)	Present	Basic	50,000
Aquatics	Present	Basic	18,000
Civic Arts			
Classes and Workshops	Present	Basic	36,500
Distribute to Other Programs			(22,500)
Gallery Exhibitions	Present	Basic	32,500
Community Outreach	Present	Basic	5,000

SUMMARY OF EXPENDITURE DECREASES (Cont'd)

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<u>Expenditure Reductions</u>	<u>Level of Service</u>		<u>Single Year</u>
	<u>From</u>	<u>To</u>	<u>Amount Saved</u>
Public Services			
Park Maintenance	Present +1	Present	37,500
Bus Program	Present	Basic	41,000
Street Sweeping	2 Sweepers 2 Operators	25% Reduction	17,500
Police Department			
General Investigations (Strike Force)	21,000	-0-	21,000
Youth Services	Present	Basic	16,000
Budget Research & Equipt. Intern Program	4,000	-0-	<u>4,000</u>
Total Expenditure Reduction			<u>\$432,000</u>

DETAIL OF EXPENDITURE DECREASES*
CITY OF WALNUT CREEK

GENERAL GOVERNMENT

ORGANIZATION MEMBERSHIP AND RELATED TRAVEL

Description: This program details memberships of the City in various local, regional, and national organizations.

Reduced
Spending: \$8,000

Program Service Level Reduction:

This program reduction would eliminate out-of-state travel for elected and appointed officials other than that determined of special benefit to the City and individually approved by the City Council.

CONTRACTED SERVICES

Description: Identify special contracted services and subsidy for local organizations who provide service and benefit to the City.

Reduced
Spending: \$9,000

Program Service Level Reduction:

This change would provide for the reduction in the level of contracted services for the Chamber of Commerce and Youth Employment Service from the present \$14,000 per year to \$5,000 per year. The reduced sum would be distributed between these functions in a manner to be determined by the Council after additional evaluation.

DIABLO SYMPHONY

Reduced
Spending: \$2,500

Program Service Level Reduction:

This would call for elimination of the City's direct financial support of the Diablo Symphony.

*Dollar amounts indicated represent one-year decreases.

ADMINISTRATIVE SERVICES DEPARTMENT

GENERAL PERSONNEL

Description: Administer and coordinate all personnel activities, including benefits, training, classification and pay, policies and procedures, labor relations and manpower projects to assure a smooth and effective personnel system based on the merit principle.

Reduced
Spending: \$6,000

Program Service Level Reduction:

This program reduction would result in the elimination of 1/2 of the allocation for the Employee Training Program, but would maintain the tuition reimbursement plan at its current level.

GENERAL ACCOUNTING

Description: Provide fiscal control of the City's financial activities. Administration of these activities are concentrated in the area of revenue, expenditures, financial records and reports, investment of City funds, and special assessment districts.

Reduced
Spending: \$8,500

Program Service Level Reduction:

Reduce by 1/2 position. This would result in less timely payment of accounts, deposit of receipts and financial reporting. Litigation of delinquent accounts and maintenance of fixed assets, inventory and records would be curtailed. All of the above would be kept at a legally and fiscally acceptable level.

COMMUNITY DEVELOPMENT DEPARTMENT

ADVANCE DEVELOPMENT PLANNING

Description: This program provides planning services for the City's General Plan, Redevelopment Agency, Community Development Block Grant Program, Housing Element and N. W. Walnut Creek Plan implementation and other special zoning studies requested by the City Council.

Reduced
Spending: \$29,000

Program Service Level Reduction:

This program reduction will result in the elimination of 1/2 of the proposed zoning and General Plan studies that are not self-funded. The specific studies that would be completed or delayed would have to be considered by the City Council at a later date.

TRANSPORTATION

Description: This program provides both transportation planning and engineering services and comprises the main program activities of regional transportation planning, City transit system planning, parking facility management plan study, traffic signal and accident review, and traffic studies as requested.

Reduced
Spending: \$36,000

Program Service Level Reduction:

This program reduction would eliminate the Transportation Commission, provide only minimal traffic signal, traffic accident, and other traffic control device review, eliminate traffic studies, and increase the length of response time for citizen requests from 30 days to 45-60 days.

PROPERTY ACQUISITION AND SURVEY

Description: This program provides for the acquisition and survey of property for the City with a major portion of its workload allocated to the City's Capital Improvement Program.

Reduced
Spending: \$9,500

Program Service Level Reduction:

This program reduction would eliminate boundary and monumentation service which would probably result in future minor boundary problems and additional service because existing monuments would not be tied together through survey.

COMMUNITY DEVELOPMENT DEPARTMENT (Cont'd)

SPECIAL BUILDING AND ZONING INSPECTION

Description: This program provides for inspection of zoning violations, unsafe buildings, and apartments.

Reduced
Spending: \$5,000

Program Service Level Reduction:

This program reduction would eliminate the concentrated code enforcement program for apartments. This program can be made self-funded, however, with the adoption of the \$3.00 apartment unit inspection fee.

LEISURE SERVICES

SPECIAL CLUBS AND CLASSES

Description: The providing of facilities and staff assistance with the organization of self-run, self-help clubs and activities, as well as the organization, scheduling and supervision of self-supporting classes that will meet the special needs and interests of the community.

Reduced
Spending: \$5,500

Program Service Level Reduction:

Basic level would limit facilities for self-run clubs and organizations to City facilities only (no schools) and limited staff assistance in assisting the organization of self-run clubs and organizations.

PLAYGROUNDS AND SPECIAL EVENTS

Description: Provide supervised playground activities, winter and summer, designed to meet the special needs of each elementary and intermediate school within the City. Offer city-wide special events as an accent to the regular program.

Reduced
Spending: \$20,000

Program Service Level Reduction:

Basic level would provide for no play ground program at either elementary or intermediate during the school year and would provide only one leader per school and very limited programing during the summer. The effect of this would be a very large decrease in the number of available youth jobs.

WORKTRAINING

Description: Coordination of a work experience program that assigns Walnut Creek residents, boys and girls, ages 14, 15, 16 and 17, to the various departments within the City.

Reduced
Spending: \$37,500

Program Service Level Reduction:

Eliminate program completely. No work training program and that would provide reduced City work force during the summer and no training program for future leaders/workers and would reduce public opportunity for 60 young people.

LEISURE SERVICES (Cont'd)

TEENS

Description: Evaluate, refine and conduct programs that will satisfy the current and ever-changing needs of local youth.

Reduced
Spending: \$3,750

Program Service Level Reduction:

Basic level would provide no drop-in program at local high schools during summer and/or winter months. The effect of this would be a large number of teenagers with no programs in the evenings or on weekends.

MUSEUMS PROGRAMS

Description: A continuing program of exhibits, animals, unique classes and activities that provide the citizens of Walnut Creek with the opportunity for a greater understanding and appreciation of nature and historical heritage.

Reduced
Spending: First year - \$50,000; second year - \$75,000

Program Service Level Reduction:

Use of funds remaining after reduction will be limited to the City maintaining the facility and funding a reduced work force that would consist of a program coordinator and limited clerical support staff. We will aggressively pursue support to replace lost City subsidy through the private sector.

AQUATICS PROGRAMS

Description: Maintain and operate two swimming pools to provide recreational, instructional and competitive swimming opportunities for all ages in a safe, clean, well-run facility, with emphasis on making both youth and adults water safe.

Reduced
Spending: \$18,000

Program Service Level Reduction:

Both Larkey and Clarke swim centers would operate only six months per year. This would eliminate all year-round AAU swimming, syncro, and masters programs, as well as year round adult physical fitness and other special programs. Would also eliminate opportunity for local high schools to utilize swim facilities.

CIVIC ARTS DEPARTMENT

CIVIC ARTS CLASSES & WORKSHOPS

Description: A basic curriculum of visual, performing arts and art history classes for children, teens and adults to take place in City facilities or in other community locations. This program would consolidate all fee class activities into one program.

Reduced
Spending: \$36,500

Program Service Level Reduction:

Would cause a reduction in the number of classes offered each year by 60% and a reduction of approximately 2,400 participants each year. Would eliminate one clerical position and several temporary and part-time positions.

GALLERY EXHIBITIONS & RELATED EVENTS

Description: A continuing exhibition program which presents a varied program of contemporary, historical and ethnic exhibits designed to educate and entertain the community. All special events, publications and tour guide activities directly related to current exhibitions are part of this program.

Reduced
Spending: \$32,500

Program Service Level Reduction:

Would result in the reduction of exhibitions by 50% each year. Would provide only minimal professional assistance to community organizations who may use the gallery and gallery hours would be limited to week days only; no weekends or evenings. Would eliminate 1+ staff positions.

COMMUNITY OUTREACH

Description: Involvement in activities related to various Civic Arts guilds, support groups and community programs. Also includes participation in regional arts activities, liaison with various public and private agencies, and involvement with community and business organizations.

Reduced
Spending: \$5,000

Program Service Level Reduction:

Would result in a reduction in volunteer leadership, limited contact with community organization and support groups. Would reduce time available for fund raising activities.

CIVIC ARTS DEPARTMENT (Cont'd)

Note: Council indicated a commitment to replace \$22,500 into Civic Arts for program improvements. Specific use of the funds is to be determined by the Council after review of recommendations presented by the Civic Arts Commission and staff.

PUBLIC SERVICE DEPARTMENT

PARK MAINTENANCE

Description: To maintain all City parks, landscaped medians, greenways and street islands and specified local school sports fields for optimum use and enjoyment of City residents.

Reduced
Spending: \$37,500

Program Service Level Reduction:

Will not provide increased maintenance levels for soccer at school play fields.

STREET MAINTENANCE AND SWEEPING

Description: To provide preventive and current maintenance and minor improvements to City streets, sidewalks, storm drains and related street facilities in accordance with City Street Maintenance policy standards.

To clean standard City streets, parking lots and private streets meeting prescribed standards on a scheduled basis.

Reduced
Spending: (figure to be developed)

Program Service Level Reduction:

Reduction of 25% of the existing allocation of equipment and staff for street sweeping. Sweep residential streets every four weeks instead of every two weeks; downtown and commercial areas three times per week as is currently done.

CITY BUS PROGRAM

Description: To provide an alternative form of transportation in the form of bus service for local residents to get to the downtown area and BART station, as well as transportation out Ygnacio Valley Road.

Reduced
Spending: \$41,000

Program Service Level Reduction:

Would provide a core area shuttle bus operation between BART and the downtown area only. Would eliminate all MTC funding and return operations to that which previously existed in the downtown area.

POLICE DEPARTMENT

GENERAL INVESTIGATIONS

Description: Coordinate the investigation of major crime and vice violations, emphasizing the arrest of the offender and the recovery of stolen property. Maintain liaison with other law enforcement agencies and the District Attorney's office. Enforce municipal code permit and licensing requirements.

Reduced
Spending: \$21,000

Program Service Level Reduction:

Withdraw from participation in County Narcotics Strike Force.

YOUTH SERVICES

Description: Maintain a uniform system for processing youth offenders which diverts them away from the juvenile system and maximizes the use of local resources. Continue to develop programs which help prevent youth from becoming offenders and act as a liaison between schools, churches, and other agencies.

Reduced
Spending: \$16,000

Program Service Level Reduction:

This reduction would return the service level of the GUIDE Program to that which existed in 1976-77, limiting the program to primarily intermediate and high schools.

Eliminated Police Intern Program in the amount of \$4,000.

Note: In addition to the above, as necessary to augment the "Jarvis Budget" property tax reductions, there will be a further detailed review of individual department operating budgets to seek additional economies through reduction in part-time, temporary, and overtime personnel costs, as well as other department general expenses where it is determined such reductions can be made without seriously impacting program service levels called for by the Council.

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